

**Larry Maywald**

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW.  
Washington, DC 20551

**Re: Docket No. R-1404 and RIN No. 7100 AD63**

February 15, 2011

Board of Governors of the Federal Reserve System:

I would like to thank you for the opportunity to comment on the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule.

As a consumer I have many concerns about the potentially negative effects of new legislation including the possible loss of free checking accounts, the possibility my family and I would be required to carry additional cash and the possible loss of current banking services.

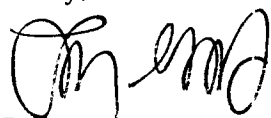
My concern of the possible loss of free checking accounts is the result of my personal experience and a simple knowledge of business. Currently retailers, who are benefiting enormously by offering the convenience of debit card acceptance, bear much of the cost of the interchange transactions by paying the current fees. Under the legislation, my bank would be required to inquire the costs. It does not take a leap of faith assume banks will pass that cost on to the consumer in the form of increased fees potentially eliminating 'free checking' and possibly charging a fee for me to use my debit card. The thought that retailers will 'pass the savings on to the consumer' is ludicrous. I currently don't get a discount for paying with cash instead of a debit card so retailers are not passing the savings on now – What makes one think they will reduce prices in the future when the interchange fees are transferred from retailers to my bank?

If my family and I are charged a fee for our checking accounts (we have three), we will most likely consolidate our accounts eliminating the convenience and safety we enjoy now by having a separate account for each family member. If we are charged a fee for using our debit cards, we will most likely begin to carry additional cash to avoid the usage fees. As a result we are opening ourselves up to risks such as losing or misplacing cash, which unlike a debit card would be unrecoverable. We are also increasing the risks associated with carrying cash like making us a target of petty thieves. Debit cards virtually eliminate this risk because the cards can be canceled with a phone call – cash cannot.

Lastly, as regulators and legislators limit a bank's income by capping fees (like overdraft fees) and requiring other fees to be borne by the banks instead of retailers banks will be forced to reduce expenses. In order to reduce expenses banks may close a number of branch locations or reduce the number of banking services they offer. Neither option is acceptable to consumers – we need more convenient banking services, not less. How many low to moderate income families will be able to incur the increased banking fees without negatively affecting their finances? Free checking and debit card usage is partially subsidized by other bank fee income like interchange fees currently being paid by retailers and, as indicated above, retailers will not reduce prices when these fees are transferred to banks. The fees will most likely be passed along to the consumer by the banks.

Please consider some of my concerns as outlined above. While not a comprehensive list of potentially negative effects the current legislation may have on banking, I hope the list is insightful and will help the Board of Governors as they move to implement legislation that, honestly, should be repealed.

Truly,

A handwritten signature in black ink, appearing to read 'Larry Maywald', with a stylized, cursive script.

Larry Maywald